

Executive summary

Internationalisation of services

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«Internationalisation of services as a part of the wider globalisation process.» This is how the article by professor **Juan R. Cuadrado-Roura** (University of Alcalá) starts. These services foster internationalisation of the whole of productive activities as they facilitate more efficient mobility at a lower cost of goods and persons, provide everybody with all sorts of data and information in real time and assist industrial companies in overcoming tangible or intangible barriers posing limitations to commercial exchange or foreign direct investment.

Ramon Torrent (University of Barcelona) analyses the legal regime of international exchange of services within the GATS (*General Agreement on Trade in Services*) and the Bolkenstein Directive regarding Europe. On the one hand, he points out that including foreign direct investment into the notion of «trade in services» and the wider one of «service» – including public services as long as they are provided under conditions of competition – makes the scope of the GATS much wider than its goods counterpart, the GATT. On the other hand, he criticises that transposition of the Bolkenstein Directive by the Spanish government by means of the so-called «omnibus law» has been used for things that have nothing to do with its terms.

Ezequiel Baró (University of Barcelona and BCF-Consultors) alerts that «lack of adequate conceptualisation of international transactions in the tertiary sector and an appropriate statistical base on such exchange has fed the belief that this service activity is hardly internationally minded». However, foreign direct investment data show that «the internationalisation pattern in the service sector is different

from goods manufacturing sectors» as «the main way is implementing permanent commercial presence in the country where services are to be provided, the very nature of provision of many services requiring interaction – and thus physical proximity – between service providers and users». In Catalonia, foreign investment in services both in and from Catalonia clearly exceeds foreign industrial investment.

These three articles make the «Panorama» opening the monograph on *Internationalisation of services* to set the context of this phenomenon, tackling the legislation regulating it and explaining its statistical specificities and global economic outreach.

The second block of the monograph does a conceptual approach to internationalisation of the main activities the services sector is made of, while the third analyses a whole set of cases of Catalan service companies having gone international successfully.

José Luis Nuevo (IESE and member of the *Paradigmes* Publishing Council) looks into the different stages internationalisation of retail trade went through in the last decades, with a wide sample of domestic and international cases. He considers that «Catalan companies have been late in their international expansion and often turned out to be overdependent on the domestic market». Nevertheless, many success stories have been created in spite of the danger of a very centralised model hardly adapted to the specificities of the market they operate in. Still within this area of trade and personal services, **Maite Forner** (Observatori del

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Comerç) looks into the Cacao Sampaka, Raffel Pages, Gaes and Party Fiesta cases.

To **Rafael Serra** (UCAVE), limited international expansion of Catalan tourist businesses has a lot to do with their atomisation. However, expertise, know-how and the success story of the Catalan tourist model is an excellent platform to decidedly go for internationalisation. The author points out emerging markets, differentiated products and priority to managing hotel facilities abroad without any need for real estate investment. **Carme Andrés** (*La Vanguardia*) analyses internationalisation of several companies dealing with tourism: Hesperia Hotels, SERHS and Hotusa from the hotel business, UCAVE (travel agencies), Eat Out Group (restaurants) and Joan Sibina's architect studio specialising in tourist and cultural facilities.

As to business services, **Ezequiel Baró** asserts that an increasing part of them contributes decisively to globalising their client firms. This process stimulates in its turn their professional side, though following quite a different pattern from manufacturing companies. «Many services need to be provided in the same place at the same time as they are consumed, so the main way of bringing these services to foreign markets is by establishing subsidiaries or any other sort of permanent commercial presence.» Successfully internationalised Catalan companies within business services mentioned by **Carme Andrés** are GTD and Spin in engineering, THR consulting firm, Alonso and Balaguer i Arquitectes Associats architect studios, Roca Junyent lawyer firm and Leitat technology services lab.

Màrius Rubiralta (Secretary General of Universities and member of the *Paradigmes* Publishing Council) analyses internationalisation of higher education based on the idea that it goes hand in hand with modernising the university system and full integration with the European Higher Education Area (EHEA) and the European Research Area (ERA) project. Despite progress made, there are still many challenges to overcome in current university culture, like «lack of a sufficient number of expert teachers in international competencies, poor offer in subjects taught in English, too few landmark official international and inter-university master degrees, not enough quality services able to lure international talent, excessive red tape in residence and studying permits, portability of grants at European level and insufficient push for excellence offer at universities». **Carme Andrés** looks into experiences at UOC, UAB, UPC, Barcelona Graduate School of Economics, ESADE, IESE and exchange between the Catalan university system and the University of California in engineering and experimental sciences.

Enric Mayolas (Barcelona Centre Mèdic) considers that international success and relevance reached by the Catalan health system have not been used to create any significant projection abroad in areas like building and management of hospitals and health facilities, training, consulting and attracting foreign patients. He analyses international experiences like those in Boston, Munich, Korea and Turkey. Regarding successful internationalisation examples in Catalonia, Mayolas looks into the cases of Fundació Clínic, Consorci Hospitalari de Catalunya, Gesaworld (a consulting firm specialising in health

management), Pinearq architect studio, the Banc de Sang i de Teixits de Catalunya (BTSC), Bergadana health vehicle company and the Catalonia Bioregion (BioCat). He concludes that «it is necessary to create a cluster of health industries embracing the different subsectors to be the tool at the service of their foreign relations», thus consolidating the Barcelona-Catalonia brand.

Xavier Segura and Ramon Roig (Caixa Catalunya) consider that despite the introduction of the euro, «the degree of internationalisation within the European and world finance sector is far from expectations created in recent years. This does not exclude that internationalisation of monetary markets is especially relevant, which is after all a reflection of the increasing imbalance between countries with financing capacity and those with financing needs.» They conclude: «The current crisis will lead to a new phase within the financial system with substantially different characteristics in relation with the so far existing models, and this will also affect its internationalisation process.»

Xavier Salvador (*El Periódico*) analyses the international experience at “la Caixa” in an interview with its managing director, Joan Maria Nin, who states that «it is not just about growing further but diversifying the risk based on our size. To do so, we have sought geographic areas of growth, excellence in management and influential shareholding» by means of a learning curve. The “la Caixa” managing director considers that «an organisation that does not put pressure on itself makes no progress» and to become strong, it needs to be taken to «uncomfortable and difficult management positions».

In relation with the debate arisen from the financial origin of the crisis, he believes that what is needed is not more regulation but better regulation and especially better and more stringent supervision.

Antoni Lladó (Institut d’Indústries Culturals) thinks that «the question to be raised is whether the Catalan cultural industry plays a role in the world mass consumption market or needs to orient its efforts towards smaller specialist markets, geographically spread over different corners of the world». To foster foreign expansion of Catalan companies in the industry, they need to operate at a benefit, have proven experience and incorporate solid and efficacious management routines and relational networks. They further «need to be managed by professional teams and committed not only to the current project but overall strategic change». He adds that they need to clearly identify the points with the biggest international potential and consider risks related to the new scenarios. **Xavier Cubeles** (Barcelona Media) analyses four success stories from different areas, sizes and histories. They are Planeta, Mediapro, La Fura dels Baus and Advanced Music, the promoters of the Sonar festival.

Andreu Ulied and Marissa Anglarill (MCrit) state that investment in transport infrastructure developed in Spain in the last years has meant enormous development for companies in the industry, with building and other companies often going into infrastructure management. Development reached and certainty that such intensive growth in the domestic market could not last forever took them to go international, reaching leading positions at a

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global level. **José López Parada** (UB) approaches Catalan logistic service companies, internationalisation of which has been mostly motivated by manufacturers in foreign countries of products commercialised globally for local companies. In this respect, he analyses the cases of Julià Tours, Logisfashion. MRW, Grupo Romeu and Spanair.

The contents of this monograph is completed with the article by **Diego Guri** (ACC1Ó), who makes a comparative analysis of policies to promote internationalisation of service companies done in many European countries. Guri states the ongoing change and improvement of these activities with the aim of reacting efficiently to growing specialised demand from service companies for internationalisation.

This Paradigmes issue is completed with three very interesting contributions within the Miscellany section. First, **Ramon Moreno**, the director of the CERCA programme, looks into the situation of

research centres in Catalonia and their articulation through the programme led by him. Then, **Eulàlia Furriols** (*La Vanguardia*) interviews Venezuelan economist **Carlota Pérez**, who has developed a suggestive theory on economic cycles beyond Schumpeterian tradition in which financial capital is a prime stakeholder. Finally, **Esteve Sanromà** (UB), **Raül Ramos** (GAQR) and **Hipólito Simón** (University of Alicante) summarise their research with an international view on salaries and jobs of migrants in the labour market.

Finally, the electronic edition of *Paradigmes* includes in both its Catalan and English version the usual multimedia contents in a new, more practical and user-friendly format. As an additional contents, this electronic edition contains the enlarged version of the article by **Juan R. Cuadrado-Roura** on internationalisation of services, two interviews with prominent experts, the first with **Peter Bishop** on complexity in organisations and the second with Douglas Griffin on studies on the future.

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